

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

INFINITY Q DIVERSIFIED ALPHA FUND,

Defendant.

22 Civ. 9608 (PKC)

STIPULATION AND PROPOSED ORDER

IT IS HEREBY STIPULATED AND AGREED by and among the Special Master and the parties in this action, the U.S. Securities and Exchange Commission ("SEC") and Infinity Q Diversified Alpha Fund (the "Fund") (collectively, the "Parties"), as follows:

WHEREAS, pursuant to its order dated January 10, 2023, as amended on March 10, 2023 (the "Order"), the Court appointed Andrew M. Calamari to serve as Special Master for the Special Reserve established by the Fund, as referenced in paragraph 1 of the Order, to carry out enumerated duties set forth in paragraph 2 of the Order;

WHEREAS, pursuant to paragraph 2(C) of the Order, the Special Master is authorized within ninety (90) days of January 10, 2023 to recommend amendments to the Distribution Plan, as defined in the Order, "to ensure a fair and equitable distribution of the Special Reserve";

WHEREAS, numerous pending litigations have been brought against the Fund, Indemnitees, and others to recover losses incurred as a result of events leading to an SEC order suspending distributions from the Fund, including the Mediated Securities Class Actions, as defined in the Order;

WHEREAS, pursuant to the Order, the Fund established a Special Reserve (as defined in the Order), in order to maintain adequate reserves to be able to meet its current and future expenses and potential liabilities including for class action lawsuits pending in state and federal court against the Fund, as well as its obligations to indemnify the Fund's officers, trustees, and certain service providers (absent a finding that they engaged in certain defined conduct), who are identified as "Indemnitees" in Exhibit A to the Order, and to pay for its own defense in litigation;

WHEREAS, by stipulation and order dated March 31, 2023 ("Stipulation and Order"), the Parties agreed that until the Mediated Class Actions were resolved, the Special Master would not be in a position to propose amendments to the Plan, which would include a proposal to release certain litigation reserves and distribute those funds to investors;

WHEREAS, in the Stipulation and Order, the Parties agreed to adjourn the date by which the Special Master shall propose amendments to the Plan until 30 days after the court before which the settlements were pending, the Supreme Court of the State of New York ("Supreme Court"), enters an order approving or rejecting the proposed settlement in the Mediated Securities Class Actions;

WHEREAS, the Supreme Court approved a settlement of the Mediated Securities Class Actions by order entered on December 21, 2023 (the "Settlement Approval Order");

WHEREAS, pursuant to the Stipulation and Order, the Special Master's recommendations regarding the Distribution Plan are currently due January 22, 2024;

WHEREAS, the time for any objectors to appeal the Supreme Court's approval expires on the same day, January 22, 2024;

WHEREAS, until the Settlement Approval Order is final, either because no appeal is taken or because the Settlement Approval Order is affirmed on appeal by the highest appellate

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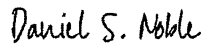
court having jurisdiction (the "Final Order"), the Special Master will not be able to recommend reducing the Special Reserve or propose amendments to the Distribution Plan;

WHEREAS, a Final Order would fully resolve the Mediated Securities Class Actions without the contribution of any money from the Special Reserve and allow the Special Master to recommend reducing the Special Reserve and propose amendments to the Distribution Plan;

NOW, THEREFORE, the Parties hereby stipulate and agree that the date by which the Special Master shall propose amendments to the Plan shall be adjourned to 35 days after a Final Order is entered in the Mediated Securities Class Actions.

Agreed to this 9th day of January 2024:

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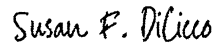


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Daniel S. Noble

FINN DIXON & HERLING LLP
Counsel to the Special Master

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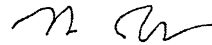


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Susan F. DiCicco

MORGAN LEWIS & BOCKIUS LLP
Counsel to the Fund

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U.S. SECURITIES AND EXCHANGE
COMMISSION

SO ORDERED.



HONORABLE P. KEVIN CASTEL
UNITED STATES DISTRICT JUDGE

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